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IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1984

No. 84-1568

QUAKER CITY GEAR WORKS, INC., *et al.*,
Petitioners,

v.

SKIL CORPORATION,
Respondent.

PETITIONERS' REPLY BRIEF

THOMAS M. FERRILL, JR.
JOHN W. LOGAN, JR.
FERRILL & LOGAN
Suite 430, 550 Pinetown Road
Fort Washington, PA 19034
Attorneys for Petitioners

PACKARD PRESS / LEGAL DIVISION, 10th & SPRING GARDEN STREETS, PHILA., PA. 19123 (215) 236-2000

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Quaker City's petition presents three distinct questions for the Court's consideration. Respondent's brief in opposition deals to some extent with the second question (concerning reweighing of the evidence); it barely touches the first question (on the evidence to be considered on a motion for judgment n.o.v.), and totally disregards the third question (on the significance of direction of burden of proof as to the contested issue). What respondent interjects instead of dealing directly with these questions are (1) its manifestations of its distrust of jury trials (pp. 2 (f.n.), 4-5 and 9-12), and (2) a strained attempt to demonstrate how the evidence could support a finding made by the appellate court if distorted to serve respondent's purpose.[1]

1. Respondent's brief in opposition also avoids comment on the pre-disposition of the Federal Circuit Court of Appeals to give little if any weight to opinions handed down by other Courts of Appeals, as taken up in the Petition at pages 5, 6 n. 1, 11 and 14. In a specially concurring Opinion in *Weinar v. Rollform, Inc.*, 744 F.2d 797, 811 (Fed. Cir. 1984), Senior Judge Nichols deplored the lack of attention to cases from other Circuits. He expressed concern that the Federal Circuit Court's "exclusive jurisdiction, over certain areas of law, is not to be construed as a legislative direction to ignore the efforts of other courts to deal with the same problems, efforts exerted when over many years they shared the responsibility that is now ours."

Central to the decision by the Court of Appeals for the Federal Circuit is its fact finding — a finding, opposite to that of the jury, as to whether a person skilled in the art is enabled by the United States patent, without necessity of a DIN 58400 paper mentioned in it, to make and use the invention described in the patent in suit.

As the Court of Appeals for the Federal Circuit recognized, the jury decided this fact question in the affirmative. The District Court, mistakenly believing the jury had not made a finding on this question, and therefore believing itself free under Rule 49(a) to make its own fact finding, adjudging witness credibility and drawing its own inferences, reached *its* fact finding opposite to that of the jury.[2]

On pages i, 4, 5, 6, 9 and 12, respondent Skil challenges the reference to the action of the Court of Appeals as reweighing the evidence on the question of "essential material." This does not withstand scrutiny. As the Court of Appeals for the Federal Circuit correctly observed, the jury made the inherent finding that the unavailable German paper was not essential material to the U. S. patent, by its affirmative answer that said U.S. patent provides enabling disclosure. (App. A, pp. A-28 and A-29). That

2. An inference in favor of the moving party Skil and against Quaker City was drawn by the *District Court* in arriving at *its* fact finding of essential material to the patent, as follows:

> "In light of all the evidence, particularly Prof. Roth's testimony that the German Standard was 'necessary' to design the wheel used *in a related German patent* [sic, application], I find that the German Standard was *'essential material' for the design of the Patent at issue here* as well."

(App. A, p. A-10).

Either a similar inference was drawn by the Court of Appeals for the Federal Circuit in reaching *its* own finding of fact of "essential material" opposite to the jury's, and fatal to Quaker City, or the Court of Appeals ignored the extensive differences between the U.S. patent and the far shorter, different, German patent application as to which, and *only* as to which, Roth was examined concerning DIN 58400.

finding by the jury resulted from its weighing all the evidence pro and con enabling disclosure in the U.S. patent, as urged by respondent Skil *and* instructed by the court (App. A, pp. A-79-82).[3]

The District Court, being unaware that this finding of fact had already been made by the jury, deemed itself to be performing initial weighing (not a *re*-weighing) of the evidence on the essential material question (App. A, pp. A 9-10). From the District Court's prefatory explanation that it believed Fed. R. Civ. P. 49(a) to authorize this, it may be inferred that the District Court could well have been reluctant to overturn a jury finding if already made to the effect that the German paper mentioned a few times in the U.S. patent was *not* essential material to it — i.e., that the U.S. patent itself does provide enabling disclosure without necessity of obtaining that paper.

The jury having determined that the German paper was *not* essential material *to the U.S. patent*, and this being a fact question, the Court of Appeals for the Federal Circuit reached its opposite finding of fact upon its *reweighing* of the evidence. (App. A, pp. A-29 to A-33, inclusive). This reweighing involved some evidence portions which the Court of Appeals deemed to support, directly or by inferences, the conclusion it reached, i.e., its finding of fact that the German paper as referred to in the U.S. patent was essential material *to that patent*, resulting in patent invalidity for lack of enabling disclosure.

Tacitly recognizing that there is no disputing the very extensive contrasts between the Roth German application and the far more complete, self-sufficient U.S. patent in suit, referred to in the petition at page 6, note 2, and demonstrated in Appendix B, double-pages B-9 to B-18, respondent relies instead on so inaccurately restat-

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3. As the trial court instructed the jury concerning interrogatory 11 (to which the jury's answer was affirmative), ". . . there has been lot — a lot of evidence as to this particular issue and it's for your determination." (App. A, p. A-81).

ing the facts of this case as to blur the subject of Roth's testimony under scrunity.

Contrary to respondent's statements on page 2, Roth was not examined as to whether a DIN 58400 paper would be necessary along with *the U.S. patent* — he gave no testimony about that aspect of the U.S. patent. He was asked the two questions at the bottom of page A-63 only in regard to his earlier, less complete German patent application about which he was being questioned, and only in respect to an unspecified earlier draft of DIN 58400 — not the September, 1963 draft which respondent incorrectly reports as having been the subject of Roth's testimony. Roth neither was questioned about that September draft nor testified about it.

On page 2, while purporting to correct or supplement petitioners' statement of the case, respondent mischaracterizes Roth as the licensor and Quaker as licensee of the Roth U.S. patent. Yet, at the trial, it was respondent which adduced evidence of Quaker's ownership of the patent, Quaker having purchased it some eleven months before the trial.

These misstatements as to the facts on page 2 culminate in respondent's mischaracterizations on page 9, where it persists in slurring over the separate facts as to the U.S. patent and a stated draft of DIN 58400 to which *it* refers, and the contrasting, far less complete and less accurate German application in which are included unspecific references to DIN 58400.[4] Straining to maximize its reliance on this distorted picture, respondent characterizes Roth's testimony at the bottom of page A-63 of Appendix A as Roth's "own admission, although

4. The completeness and specific numerical examples in the U.S. Patent, in contrast to the German application, are shown in side-by-side comparison in Appendix B, double-pages B-9 to B-18, inclusive. The mentions of DIN 58400 in the German application occur on the left-hand pages of B-13 and B-14. Copies of some drafts of DIN 58400 were produced during discovery and were made exhibits for identification by respondent.

contrary to his interest." (Respondent's brief, page 9) This exposes the need for having seemingly lost sight on page 2 of the proven fact that Quaker had acquired the ownership of the U.S. patent long before Roth was called as a witness at trial by respondent.[5]

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On pages 12-13, respondent argues that the Court of Appeals for the Federal Circuit did not engage in "*de novo* 'reweighing' of the evidence," charitably suggesting instead that it "engaged in a complete review of the record to verify the absence of substantial evidence to support the jury's limited 'findings'." To the contrary, as scrutiny of the opinions by the District Court and the Court of Appeals for the Federal Circuit demonstrates, said appellate court did revert to *de novo* fact finding, in accordance with said court's irrepressible tendency which has been criticized by a Judge of said court in two recent cases, *Jones v. Hardy*, 727 F.2d 1524, at 1534 (Fed. Cir. 1984), and *Baginsky v. United States*, 697 F.2d 1070, at 1077 (Fed. Cir. 1983), *cert. denied*, ____ U.S. ____, 104 S. Ct. 423 (1983), *reh. denied*, ____U.S. ____, 104 S. Ct. 987 (1984). This criticism is borne out by recent statistics.[6]

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5. Roth's testimony was elicited by questions expressed in English, translated to German, and answered in German and translated to English, only the English versions being transcribed. The jury had the benefit of observing two weeks of trial testimony including this.

6. *Valmet Oy and TVW Papermachines, Inc. v. Beloit Corp.*, Docket No. 84-1664, is a Petition for Certiorari filed April 25, 1985, three weeks after the filing of the present Petition by Quaker City Gear Works, Inc. *et al.* Said copending *Valmet Oy* petition also seeks review and supervisory restraint of the tendency of the Federal Circuit Court of Appeals to usurp the fact finding functions properly relegated to the trial courts. The final page of the appendix to the *Valmet Oy* petition tabulates data showing that the ratio of the percentage of petitions from the Federal Circuit complaining of its *de novo* fact finding is some ten (10) times higher than the average of the petitions complaining of *de novo* fact finding by all the other U.S. Courts of Appeals.

For the foregoing reasons and those set forth in the Petition, certiorari should be granted.

Respectfully submitted,

THOMAS M. FERRILL, JR.
JOHN W. LOGAN, JR.
FERRILL and LOGAN
550 Pinetown Road, Suite 430
Fort Washington, Pennsylvania 19034

Attorneys for Petitioners